

Date: 23rd August 2017
Consultee ID: LP0005 / Pub0108
Matter 11

HARTLEPOOL LOCAL PLAN EXAMINATION

Matter 11 – Development Management Policies and Housing Delivery

1. The following hearing statement is made for and on behalf of the Home Builders Federation. This statement responds to selected questions set out within Matter 11 of the Inspector's *Schedule of Matters, Issues and Questions* (exam ref: EX INS 15).
2. The Inspector's Issues and Questions are included in bold for ease of reference. The following responses should be read in conjunction with our comments upon the submission version of the Local Plan, dated 3rd February 2017. The HBF has also expressed a desire to participate in the examination hearing sessions.

Issue 1 – The soundness of specific development management policies Policies CC1, CC2 and QP7

Q1 Is the requirement for a minimum of 10% of energy supply from decentralised and renewable or low carbon sources sound? Is it consistent with national policy (including paragraphs 95 and 96 of the NPPF)? What are the implications of the written ministerial statement of 25 March 2015?

3. No, I refer the Inspector to our comments upon the Publication version of the plan, paragraphs 14 to 16.

Q2 Has the viability of the policies been tested?

4. The HBF understands that the viability work used to underpin the plan is contained in the appendix to the Planning Obligations SPD (exam ref: HLP03/4). This was adopted in November 2015, well in advance of the Publication version of the plan or indeed the Preferred Options consultation. The HBF raised concern at the Publication stage of the Local Plan (para. 53 HBF response) with a number of the assumptions in the viability work, many of which are unsubstantiated.

Q3 Is the Council suggested main modification [reference MM/CHP09/03] to “encourage” rather than “require” improvements to building fabrics above and beyond those prescribed in Building Regulations necessary for soundness?

5. This is considered an improvement. The Council should not be seeking to require developers to go beyond the Building Regulations. This would be unsound as it is not justified or consistent with national policy. The HBF would prefer the second sentence of Policy QP7 to be deleted in its entirety.

Issue 2 – Affordable Housing

Q5 Is the Borough wide target for affordable housing sufficiently clear?

6. Yes.

Q6 Is the requirement for 18% affordable housing on sites of 15 dwellings or more justified?

7. Whilst the need for affordable housing is clear, delivery from market sites must be weighted against economic viability considerations (NPPF paras. 173 to 177). Our concern lays with the impact upon economic viability of the 18% requirement.

Q7 Does it reflect the evidence on viability? Is 18% at the margins of viability? Has the viability of 18% been tested against current market conditions or does it assume an expectation of future value rises?

8. Table 3 of the viability evidence (appendix 1, Planning Obligations SPD) clearly illustrates that the delivery of an 18% requirement is at best marginal, providing very little buffer for sites above 50 units. Sites of 15 units are identified to be unviable.
9. The plan requirement should be based upon current known values and not reliant upon potential future uplifts in value. The PPG is clear on this point stating;

*“Plan makers **should not plan to the margin of viability but should allow for a buffer** to respond to changing markets and to avoid the need for frequent plan updating. Current costs and values should be considered when assessing the viability of plan policy. **Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period.** This will help to ensure realism and avoid complicating the assessment with uncertain judgements about the future. Where any relevant future change to regulation or policy (either national or local) is known, any likely impact on current costs should be considered.”* (PPG ID 10-008, our emphasis).

10. Within our comments upon the Publication version of the plan we also outlined our concerns with a number of the assumptions within the viability work (para. 53).

Q8 Should the policy provide a guidance mix of 70% social-affordable rented housing and 30% intermediate housing as outlined in the SHMA?

11. Whilst the SHMA provides a useful starting point the HBF would prefer the policy retain flexibility as this will enable greater opportunities not only to meet local needs at the time of the application but also provide greater opportunity to ensure the development is viable.

12. The Inspector will also be aware of the recent suggestions within the Housing White Paper¹ to amend the definition of affordable housing and require that 10% of **all** homes on individual sites are affordable home ownership products. This would supersede a 70/30 mix.

Q9 Is the policy justified and effective, particularly in terms of the effect on viability and the potential for off-site contributions? Would there be parity between on-site and off-site contributions?

13. I refer the Inspector to our comments above. The HBF would welcome further clarity upon the parity between on-site and off-site contributions

Yours sincerely,

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¹ DCLG 2017: Fixing our broken housing market